

ECONOMIC DEVELOPMENT COMMITTEE

DATE: December 8, 2009

CALLED TO ORDER: 5:31 p.m.

ADJOURNED: 5:45 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jeff Cardwell, Chair
Barbara Malone
Michael McQuillen
Mary Moriarty Adams
Ryan Vaughn

ABSENT MEMBERS

Jose Evans
Doris Minton-McNeill

AGENDA

PROPOSAL NO. 408, 2009 - approves the guaranty of the yield on low income tax credits in order to enable the sale of such low income tax credits by the Indianapolis Housing Agency for rehabilitation projects in the City to be developed by its non-profit arm Partners for Affordable Housing, Inc.

"Tabled"

Vote: 5-0

PROPOSAL NO. 433, 2009 - approves the statement of benefits of Comlux Completion USA, LLC, an applicant for tax abatement, for property located in an economic revitalization area

"Do Pass"

Vote: 5-0

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Tuesday, December 8, 2009. Chair Jeff Cardwell called the meeting to order at 5:31 p.m. with the following members present: Barbara Malone, Michael McQuillen, Mary Moriarty Adams and Ryan Vaughn. Absent were Jose Evans and Doris Minton-McNeill.

PROPOSAL NO. 408, 2009 - approves the guaranty of the yield on low income tax credits in order to enable the sale of such low income tax credits by the Indianapolis Housing Agency for rehabilitation projects in the City to be developed by its non-profit arm Partners for Affordable Housing, Inc.

Bruce Baird, Director of Strategic Development, Indianapolis Housing Agency (IHA), stated that this proposal was postponed at a previous hearing, and IHA was asked to come back to answer additional questions that were raised by the committee. He said that IHA has continued to work with City Real Estate Advisors, which is the equity syndicator that presented at the last meeting. Mr. Baird stated that due to some of the concerns raised by committee members and the City Controller, they have been able to restructure the financing package for IHA's Phase I of the Welcome Home development. He said that they have been able to find different investors that will not require the guaranty that was drafted. Mr. Baird stated that IHA has come before the committee to ask that they table the proposal. He said that IHA will work with Councillor Kent Smith, who sponsored the proposal, to withdraw it. Mr. Baird stated that the development will go forward as planned and they will close the financing in January, 2010. He said that the construction and renovation of 500 units will continue.

Chair Cardwell thanked IHA for all that they do to provide affordable housing for the City. He said that it is comforting to know that the project will not be delayed.

Councillor McQuillen asked what the savings for the City as a potential liability will be with the restructure of the guaranty. Mr. Baird stated that it is estimated between \$5 to \$6 million, if the guaranty would have ever been called. He said at this time, that would not be requested of the city.

Councillor Malone asked if they had not been asking the city for the guaranty of the yield, they would not have needed to come before the committee for the approval of the rehabilitation project. Mr. Baird answered in the affirmative.

Councillor Vaughn stated that the committee is encouraged to see that the project will go through. He said that their only reservation was to make sure that the financing structure was appropriate, and it sounds like IHA has the best deal to move forward.

Councillor McQuillen moved, seconded by Councillor Malone, to “Table” Proposal No. 408, 2009. The motion carried by a vote of 5-0.

PROPOSAL NO. 433, 2009 - approves the statement of benefits of Comlux Completion USA, LLC, an applicant for tax abatement, for property located in an economic revitalization area

Stephanie Quick, Assistant Administrator, Department of Metropolitan Development (DMD), stated that last year, state law was passed which requires Council approval in addition to approval from the Metropolitan Development Commission (MDC), for tax abatements that are located in an allocation area. She said that Comlux Completion USA, LLC falls into that category. Comlux is located at 2640 South Cargo Drive in Wayne Township, which is located in Council District 22, Councillor Bob Cockrum’s district.

Ms. Quick stated that Comlux is based in Zurich, Switzerland and was formed in 2003 as a business jet operator. She said that in 2008, Comlux purchased the Indianapolis Jet Center as part of an overall aggressive restructuring of Comlux to obtain growth related to the business jet market. Ms. Quick stated that the Indianapolis Jet Center performs interior design and finishing for business jets, and Comlux views this as a significant growth opportunity. She said that the company’s vision is to become one of the leading providers of VIP cabin completion services, delivering convenience and comfort to their customers. Comlux continues to operate business jets and deals with sales and acquisition of jets. Ms. Quick stated that Comlux is seeking tax abatement to assist with the purchase and installation of new machinery and information technology equipment related to the expansion. She said that the City is recommending a five-year personal property tax abatement for the company’s investment of \$1 million in manufacturing and information technology related equipment, the retention of 75 jobs at an average wage of \$31 per hour, and the creation of an additional 400 jobs over the next three years at an average wage of \$27 per hour. Ms. Quick stated that the types of jobs the company has indicated that they will employ includes; program managers, cabinet makers, upholstery workers, sheet metal workers and engineers. Ms. Quick stated that the value of the five-year tax abatement is estimated at just over \$46,000, over the life of the abatement.

Councillor McQuillen asked if Councillor Bob Cockrum is in support of this proposal. Ms. Quick answered in the affirmative.

Councillor Vaughn moved, seconded by Councillor Moriarty Adams, to send Proposal No. 433, 2009 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 5-0.

There being no further business, and upon motion duly made, the meeting adjourned at 5:45 p.m.

Respectfully Submitted,

JC/lw

Jeff Cardwell, Chair